

**Bills Committee on Revenue (First Registration Tax and
Licence Fees for Motor Vehicles) Bill 2021**

**Government's Response to Issues Raised
at the meeting on 31 March 2021**

The Government's response to the request for supplementary information raised at the Bills Committee meeting on 31 March 2021 is set out as follows.

Number of Government Cars

2. The Government procures various types of vehicles, including cars¹, to support the operation of various bureaux, departments and offices. The uses of these cars include transportation of officers to carry out duties, to deliver documents, to carry out on-site inspection of facilities, etc.

3. As of end 2020, there were 1 577 cars in the Government fleet. For details on the number of cars of each bureau, department and office, please refer to **Annex**. The Chief Executive ("CE"), the three Secretaries of Departments, Directors of Bureaux and the Director of the CE's Office are individually provided with official cars which can be used for all purposes.

Growth of Licensed PCs

4. Unless otherwise specified in the Road Traffic Ordinance (Cap. 374)("RTO"), all vehicles must be registered as well as licensed before they can be driven or used on a road. Therefore, the number of licensed vehicles can better reflect the number of vehicles that can be driven on a road.

5. In the past ten years, the numbers and growth of licensed PCs are as follows –

¹ There are various types of vehicles in the Government fleet, including car, bus, van, truck, specialised vehicle, etc. Among the vehicle types, "car" is identical to private car ("PC").

Year	Licensed PCs		
	Number	Numeric Growth	Percentage Growth (%)
2010	414 966	21 154	5.4
2011	434 843	19 877	4.8
2012	454 697	19 854	4.6
2013	475 752	21 055	4.6
2014	495 038	19 286	4.1
2015	521 852	26 814	5.4
2016	536 025	14 173	2.7
2017	552 710	16 685	3.1
2018	565 213	12 503	2.3
2019	573 932	8 719	1.5
2020	573 003	-929	-0.2
<i>End of February 2021</i>	<i>576 201</i>	<i>11 098 (as compared with the same month in 2020)</i>	<i>2.0 (as compared with the same month in 2020)</i>

Past Experience of Increasing the First Registration Tax (“FRT”) and Vehicle Licence Fee (“VLF”) for PCs

6. The FRT and VLF for PCs have not been adjusted since 2011 and 1991 respectively. The effect of adjustment experience is as follows –

7. In 1991, FRT was increased by about 16%, together with an increase of VLF by 10%. As mentioned above, the number of licensed vehicles can better reflect the number of vehicles that can be driven on a road, in order to reflect the overall impact of the relevant adjustment. Back then, 9 to 12 months after the increases, there was an overall drop in the average annual growth rate of licensed PCs from 9.4%² to 7.7%³.

8. In 2011, FRT was increased by about 15% without a parallel increase in VLF. 9 to 12 months after the FRT increase, the average annual growth rate for ordinary petrol licensed PCs was reduced from 3.6%⁴ to 2.3%⁵. However, on this occasion, the concession given to

² This figure is the average value between November 1990 and February 1991.

³ This figure is the average value between November 1991 and February 1992.

⁴ This figure is the average value between October 2010 and January 2011.

⁵ This figure is the average value between October 2011 and January 2012.

environment-friendly petrol PCs was increased at the same time, which reduced the overall impact to suppress the growth rate of licensed PCs.

Illegal Carriage of Passengers by Motor Vehicles for Hire or Reward

9. Pursuant to Section 52 of RTO, no person shall drive or use a motor vehicle, or suffer or permit a motor vehicle to be driven or used, for the carriage of passengers for hire or reward unless the vehicle complies with certain conditions stipulated in RTO. For example, a hire car permit is in force in respect of the vehicle. Otherwise, it is an offence. The numbers of enforcement actions taken by the Police against illegal carriage of passengers by motor vehicles for hire or reward each year from 2018 to 2020 were around 50 to 180 times. The Police does not maintain information on the prosecution figures of illegal carriage of passengers by motor vehicles for hire or reward.

Transport and Housing Bureau
Transport Department
April 2021

Number of Government Cars⁶
(As of end 2020)

Bureau / Department / Office	Number of Cars
CE's Office	7
Administration Wing	24
Commerce and Economic Development Bureau	6
Constitutional and Mainland Affairs Bureau	3
Civil Service Bureau	3
Development Bureau	5
Education Bureau	6
Environment Bureau	2
Food and Health Bureau	5
Financial Services and the Treasury Bureau	3
Home Affairs Bureau	7
Innovation and Technology Bureau	2
Labour and Welfare Bureau	3
Security Bureau	3
Transport and Housing Bureau	2
Judiciary	23
Agriculture, Fisheries and Conservation Department	40
Auxiliary Medical Service	1
Architectural Services Department	7
Audit Commission	1
Buildings Department	31
Customs and Excise Department	83
Census and Statistics Department	2
Civil Aviation Department	8
Civil Aid Service	1
Civil Engineering and Development Department	11
Companies Registry	1
Correctional Services Department	15
Department of Health	10

⁶ There are various types of vehicles in the Government fleet. Among the vehicle types, "car" is identical to PC.

Department of Justice	7
Drainage Services Department	1
Electrical and Mechanical Services Department	28
Environmental Protection Department	18
Food and Environmental Hygiene Department	34
Fire Services Department	93
Government Flying Service	1
Government Logistics Department	28
Government Laboratory	1
Government Property Agency	2
Home Affairs Department	25
Hong Kong Monetary Authority	5
Hong Kong Observatory	1
Hong Kong Police Force	630
Post Office	95
Housing Department	26
Highways Department	5
Independent Commission Against Corruption	24
Immigration Department	10
Invest Hong Kong	1
Intellectual Property Department	1
Inland Revenue Department	2
Information Services Department	4
Innovation and Technology Commission	2
Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	1
Land Registry	1
Legal Aid Department	1
Lands Department	68
Leisure and Cultural Services Department	8
Labour Department	21
Marine Department	4
Office of the Communications Authority	6
Office of the Government Chief Information Officer	3
Official Receiver's Office	1
Planning Department	5
Public Service Commission	1

Registration and Electoral Office	1
Radio Television Hong Kong	9
Rating and Valuation Department	5
Secretariat, Commissioner on Interception of Communications and Surveillance	1
Social Welfare Department	22
Transport Department	9
Trade and Industry Department	2
Treasury	1
University Grants Committee Secretariat	1
Working Family and Student Financial Assistance Agency	2
Water Supplies Department	45
